



The Affordable Care Act

Learn about your rights and benefits
under the new health reform law.

Affordable Care Act Success Stories

"As a father of 4 sons in their late teens and early 20s the component that allows them to be covered until 26 saves us considerably on premiums and gives us great peace of mind."

- Constituent from Chula Vista

"Now, with the ACA, I have choices. Affordable choices. On the CoveredCA website, I found a silver-level PPO policy, as good as my current policy, for \$659—a savings of \$200/month. And now I have a choice of plans, something I didn't have in the past. I'll be signing up in a few weeks."

- Constituent from San Diego

"This week I signed up for health insurance on Covered California website. I will receive comprehensive health insurance for an affordable rate of \$134.00 per month. The last time I had health insurance was 2007 and it cost me a hefty \$600 per month. Thank you for your support of the middle class!"

- Constituent from Santa Rosa

"I have a part time job with no health care provided. I looked into health insurance costs for my age and found that I would have to pay \$775 a month for health insurance. There is no way I could afford this amount. Under Obamacare, I would only have to pay around \$105 a month for health care. This amount would be in my budget."

- Constituent from Sacramento

"Because of Obamacare, our family will be saving almost \$700 a month over the cost of our old, not very good health plan. I always worried that if we did develop something chronic, the company would probably have cancelled us. Now, because of Obamacare, we don't have to worry about that. I am so relieved to have this law in place."

- Constituent from Albany



Dear Californian,

Our country's health care system touches every American at some point during their lives. In recent years, however, the cost of health care has forced many to forgo needed treatment and preventive care because they simply cannot afford it.

In 2010, Congress took action to address the high cost of health care in the United States by passing the *Patient Protection and Affordable Care Act*. This legislation was signed into law by President Obama on March 23, 2010.

Goals of the law include:

- **Reducing costs and increasing access to care.**
- **Improving quality of care and enhancing care coordination.**
- **Focusing on preventing disease and illness.**
- **Providing new protections for health insurance consumers.**

This brochure provides information about the *Affordable Care Act* and how it affects Californians.

I support the goals of the *Affordable Care Act* and believe we must continue to closely monitor its implementation and ensure those who need health care can get it.

I hope this brochure will provide answers about the health reform law and how it may affect you. If you have other questions, feel free to use the additional resources at the end of this brochure or contact my staff.

Sincerely,

A handwritten signature in blue ink that reads "Dianne Feinstein". The signature is fluid and cursive, with a large initial "D".

Dianne Feinstein
United States Senator

New health insurance options

The Affordable Care Act creates new health insurance marketplaces where consumers can compare insurance options and enroll in coverage. California's marketplace is known as Covered California.



Your rights when enrolling in coverage

- Insurance companies are barred from denying coverage, charging higher premiums or refusing reimbursement for individuals with pre-existing conditions.
- You have the right to request a "Summary of Benefits and Coverage." This summary is written in plain language and presents key features of each plan including covered benefits, applicable cost-sharing and coverage limitations and exceptions.
- You can enroll in insurance either through Covered California or directly with an insurer.
- Insurance plans sold on Covered California must cover a comprehensive set of benefits known as the Essential Health Benefits (see next page).



How do I enroll through Covered California?

Online: Log on to Covered California at CoveredCA.com and click "Apply Now" to review available plans and enroll in coverage.

Over the phone: Review options and enroll by calling 1-800-300-1506.

In person: Certified enrollment counselors and insurance agents and brokers are available to help. Visit CoveredCA.com and click on "Find Local Help" or call 1-800-300-1506 to locate help in your area.

When can I enroll through Covered California?

For 2014 coverage, enroll by March 31, 2014

For 2015 coverage, enroll between November 15, 2014 and January 15, 2015.

Outside of those dates, you may enroll only if you experience certain qualifying events such as a move, loss of employer-sponsored insurance, or change in family size.

Essential health benefits

(Source: Healthcare.gov)

Insurance sold on Covered California covers these 10 key benefits:

1. Outpatient care.
2. Trips to the emergency room.
3. Treatment in the hospital for inpatient care.
4. Care before and after your baby is born.
5. Mental health and substance use disorder services.
6. Prescription drugs.
7. Services and devices to help you recover if you are injured or have a disability or chronic condition. (Services include physical and occupational therapy, speech-language pathology, psychiatric rehabilitation and more.)
8. Lab tests including blood work.
9. Preventive services including counseling, screenings and vaccines.
10. Pediatric services including dental care and vision care for children.



Financial Assistance

Financial assistance is available to help you afford coverage. Individuals and families making up to 400% of the federal poverty line (FPL) may receive subsidies to reduce the cost of purchasing health insurance.

Those making up to 250% of the federal poverty line can get additional assistance to reduce out-of-pocket charges such as co-pays and co-insurance.

In addition, adults making less than 138% of the federal poverty line and children in families making less than 250% are eligible to enroll in Medi-Cal.

Household Size	400% of FPL
1	\$45,960
2	\$62,040
3	\$78,120
4	\$94,200
<i>Source: Families USA</i>	

Before the *Affordable Care Act* took effect

50 million Americans lacked health insurance. Many people could not get coverage because health insurers were allowed to reject people with pre-existing medical conditions. This meant that people with chronic illnesses such as asthma or high-blood pressure, as well as life-threatening diseases such as cancer, could be turned away. In addition, people who could not afford insurance often went without it or visited an emergency room for care.

Some doctors focused on treating illness, rather than preventing it. Doctors and hospitals were compensated solely based on how many procedures they performed, rather than the quality of care they delivered. This increased costs because some doctors focused on offering more treatments rather than preventing illness in the first place.

Caps on benefits hurt people with costly diseases. Insurance companies were allowed to restrict how much of someone's health care they would pay for. People with expensive illnesses were stuck paying for all of their own treatment after they reached annual or lifetime limits.

Many insurers could raise rates with little or no oversight. Health insurance companies were not held responsible for unreasonable premium increases, often resulting in double-digit rate hikes.



Senator Feinstein's work to limit premium increases

Senator Feinstein is very concerned about families facing expensive rate increases. She worked with her colleagues to include a provision in the law that requires insurance companies to justify rate increases above 10% per year. In addition, she believes that state insurance commissioners should have the authority to block or modify increases that are unjustified. She has introduced legislation, the *Health Insurance Rate Review Act*, that would give the Federal Secretary of Health and Human Services the authority to stop unjustified rate increases in states like California, where the insurance commissioner does not have this authority.

After the *Affordable Care Act* took effect

Millions of Californians are now eligible for health insurance coverage. More than 16 million Californians with pre-existing conditions can no longer be denied coverage because of their health status, and as many as 4 million Californians are eligible for subsidized coverage. In addition, 435,000 young adults in California have gained insurance coverage thanks to a provision that allows them to stay on their parents' health insurance plan until age 26.

Focus has shifted to preventing illness.

Health care providers are encouraged to focus on providing high-quality care and preventing disease, and costs for accessing preventive care are reduced for patients. In addition, the law reduces the burden of chronic illness by investing in proven programs that decrease the incidence of diseases such as diabetes, asthma and heart disease.

Small businesses receive assistance to provide coverage for employees.

The law creates new tax credits for small business owners to provide health insurance to their employees. Small businesses are “pooled” together in order to give them the same type of negotiating power that large companies have.

“Obamacare was a lifesaver for me.”

—LYNN GARDNER HINKLE,
MOTHER OF 4 & ENTREPRENEUR



Well-child visits.

Prenatal care.
Breastfeeding support.
No extra cost.



Protections from arbitrary cancellations.

Insurance companies can no longer arbitrarily cancel a policy because an individual gets sick. In addition, health care consumers now have the right to appeal if an insurance company denies a claim or ends coverage.

Health care inflation has slowed. The price of health care has increased much slower in the years since the *Affordable Care Act* was passed than in the preceding decade. Commerce Department data shows health care price increases are at their lowest level since the early 1960s. The law has already saved consumers and taxpayers billions of dollars.

Rights under the *Affordable Care Act*

- The health reform law ends some of the most egregious abuses by insurance companies.
- You **cannot** be charged more or be denied coverage for having a pre-existing medical condition.
- Health insurers **cannot** arbitrarily cancel your coverage if you get sick.
- You have a **right to appeal** if an insurance company denies a claim.
- An insurance company **cannot** charge you higher co-pays or co-insurance if you get emergency care at an “out-of-network” hospital than if you go to an “in-network” hospital.
- Annual and lifetime limits on coverage are no longer allowed.



New benefits provided by the *Affordable Care Act*

- Young adults can stay on their parents' health insurance plans until age 26.
- All new insurance plans must cover preventive care, screenings and tests free of charge. Preventive services covered include cholesterol and blood pressure screening, mammograms, obesity counseling and colorectal cancer screening for adults. In addition, health, vision and other newborn and pediatric screenings as well as recommended immunizations must be covered without out-of-pocket charges.
- Insurance companies must provide rebates if they spend more than 20% of premiums on administrative costs and profit.
- Consumers in the individual market can now log on to Covered California (www.coveredca.com) to compare health insurance plans side-by-side and enroll in the plan that works for them.
- New Consumer Assistance Centers help individuals understand their health insurance rights. In California, call 1-888-466-2219 or visit healthhelp.ca.gov for assistance.

How health reform helps...

YOUNG ADULTS

(Source: Healthcare.gov)

Remain on your parents' plan. If a plan covers children, they can be added or kept on the health insurance policy until they turn 26.

Don't go bankrupt because of a medical emergency. According to the U.S. Department of Health and Human Services, the average 3-day stay in a hospital costs \$30,000 and fixing a broken leg can cost \$7,500 or more. Insurance helps protect you against financial calamity if you get sick or have an accident. If you're under 30, you can get a "catastrophic" plan that is affordable but will help if you have an unexpected medical emergency.

“The ability to insure my children up to age 26 through my employer's program has been a tremendous help. Without it my 25-year-old daughter, who had an emergency room visit, would have faced a \$10,000 bill, effectively draining funds for her college tuition and fees.”

— Constituent from San Diego

Financial assistance is available. If you don't already have health insurance, check out your options on CoveredCA.com. Many young people are eligible for subsidies that can significantly reduce what they pay for insurance.

Family planning services are covered. New insurance plans are required to cover all FDA-approved contraception products without a co-pay. And, when you're ready to start a family, maternity and well baby care is a benefit of all insurance plans sold on Covered California.



How health reform helps...

WOMEN

Being a woman is no longer a pre-existing condition. Before the health reform law was passed, many insurers charged women more than men for the same coverage. The Affordable Care Act prohibits insurance companies from doing this.



Promoting healthy pregnancies. Insurance plans purchased through Covered California must cover maternity and newborn care. This includes many preventive health treatments and screenings without a co-pay. Gestational diabetes screening, folic acid supplements, urinary tract and other infection screening, as well as breast feeding counseling and support are all covered without a co-pay for new mothers and moms-to-be. It also won't cost you anything to get many age-appropriate screenings and immunizations for your newborn or infant.

Women's preventive care is covered. All new insurance plans must cover a range of preventive benefits for women, including breast and cervical cancer screening, osteoporosis screening and FDA-approved contraceptive products.



Making it easier to shop for coverage. According to the Department of Labor, approximately 80 percent of family health care decisions are made by women. The Affordable Care Act makes choosing health care coverage easier. On California's new health insurance marketplace, Covered California, families can compare plans side-by-side and enroll in the coverage that works for them.

How health reform helps...

SENIORS

(Source: Medicare.gov)

Your Medicare coverage is protected. Medicare isn't part of the Health Insurance Marketplaces established by the Affordable Care Act, so you don't have to replace your Medicare coverage with marketplace coverage. No matter how you get Medicare, whether through Original Medicare or a Medicare Advantage Plan, you'll still have the same benefits and security you have now.

You get more preventive services, for less. Medicare now covers certain preventive services, like mammograms or colonoscopies, without charging you for the Part B coinsurance or deductible. You also can get a free yearly "Wellness" visit.

“My husband and I are 62 and have been paying for our own health insurance since 2000. It has slowly drained half of our savings that we were setting aside for our retirement and current living expenses. With my husband's health issues, our yearly expenses have topped \$30,000 and is unsustainable. Without the relief of ACA starting in January, we will be facing a miserable future.”

—Constituent from Orangevale

You can save money on brand-name drugs. You'll also receive a 50 percent discount when buying Part D-covered brand-name prescription drugs. The discount is applied automatically at the counter of your pharmacy—you don't have to do anything to get it.

The ACA strengthens Medicare for years to come. The life of the Medicare Trust fund will be extended to at least 2029—a 12-year extension due to reductions in waste, fraud and abuse, and Medicare costs, which will provide you with future savings on your premiums and coinsurance.



How health reform helps...

SMALL BUSINESSES

An easier way to provide employees with health insurance. By purchasing health insurance through the Covered California Small Business Health Options Program (SHOP), employers with one to 50 eligible employees can choose from a range of health plans without the burden of additional administrative duties.

Covered California's SHOP is streamlining the process of choosing health plans and enrolling employees so business owners can focus on their businesses. Through Covered California's SHOP, small businesses will be able to offer different plans to their employees, something that few small employers have been able to do easily until now. (Source: Covered California)

A single risk pool means lower rates overall. The SHOP exchange "pools" all participating small businesses together, meaning reduced administrative costs and more market leverage to negotiate for lower rates.

Tax credits for small businesses providing health insurance coverage. Small businesses providing coverage to their employees through the SHOP exchange may qualify for tax credits worth up to 50 percent of the cost of providing such coverage for their employees.

Small businesses are eligible for a health care tax credit if they have fewer than 25 full-time-equivalent employees for the tax year, pay employees an average of less than \$50,000 per year and contribute at least 50 percent toward employees' premium cost. More information is available at www.sba.gov/healthcare.

“In the last 9 months our company has more than doubled its revenue and we now have four employees who we pay more than minimum wage. All of this was made possible because I was no longer tied to working for a major corporation in order to protect my family in the event of an injury or illness. Thanks to Obamacare we have created four new jobs in our community and expect to hire several more people over the next two years.”

— *Constituent from San Jose*



Frequently asked questions about...

COVERAGE

(Source: Healthcare.gov)

Do I have to change my Medicare coverage because of the law?

No. The Affordable Care Act protects Medicare by strengthening its financial solvency and adding new benefits. The law also does not make changes to Medicare Supplemental Insurance Plans, sometimes known as “Medigap” plans. You will continue to call 1-800-Medicare or visit Medicare.gov to get answers to questions about Medicare.

Is the website working?

There has been a lot of talk about the rocky rollout of the federal health insurance website, Healthcare.gov. Senator Feinstein is very concerned that individuals have been unable to access this website due to glitches and delays. However, California has chosen to launch its own health insurance marketplace, which is operating far more smoothly. By visiting CoveredCA.com, you can compare plan options without having to sign up first.

What is the deadline for signing up for insurance?

The enrollment period to choose an insurance plan on CoveredCA.com ends on March 31, 2014. Enroll by this date if you want to have insurance during 2014 and avoid the penalty for failure to have insurance (see next question).

Senator Feinstein has co-sponsored legislation introduced by Senator Jeanne Shaheen (D-N.H.), the *ACA Enrollment Extension Act*, that would extend the deadline to sign up for insurance. Senator Feinstein thinks it’s only fair to give people some extra time to choose the plan that’s right for them in light of the glitches that initially prohibited people in some states from signing up on Healthcare.gov.

What if someone doesn’t have health coverage in 2014?

If an individual who can afford health insurance doesn’t have coverage in 2014, they may have to pay a fee. They also have to pay for all of their health care on their own. People with limited incomes and who face certain life situations can get an exemption from the fee. If you are enrolled in private insurance, Medicare, Medi-Cal, TRICARE, the VA Health System or get care through the Indian Health System, you will not face a penalty.

Can I get in-person assistance?

Yes. County Social Services Agencies as well as certified enrollment counselors and insurance agents are able to offer personal help. To find in-person help, visit CoveredCA.com and click on “Find Local Help” or call 1-800-300-1506.

I am Native American. Can I continue to use the Indian Health Service to get care?

Yes, Native Americans can continue to get care through Indian Health Service facilities. Native Americans are also eligible to receive premium subsidies to purchase insurance and may get additional help with co-pays and out-of-pocket charges if they make less than 300% of the federal poverty line.

Frequently asked questions about...

PREMIUM COSTS

Why are some premiums going up and others down?

Before the *Affordable Care Act* took effect, insurance companies could require detailed information about health status, then deny coverage or charge more to individuals who had pre-existing conditions. Today, insurance companies are barred from these actions. Insurance companies also can't arbitrarily cancel coverage when a person gets sick or set a cap on how much of a person's care they'll pay for.

Refusing coverage for people with costly medical conditions was one way that insurance companies controlled costs. Some consumers who were in low-cost plans may see premium increases because insurance companies now must offer comprehensive coverage to everyone. Some people who were paying more because of pre-existing conditions may now pay less.

The *Affordable Care Act* takes a number of steps to reduce the cost of health insurance. For example, the law creates subsidies to lower the cost of buying coverage for individuals and families making up to 400 percent of the federal poverty line. In addition, insurance companies must justify rate increases above 10 percent and offer rebates if they spend more than 20 percent on administrative costs and profits.

How do premium subsidies work?

Individuals who meet income guidelines and who don't already qualify for affordable health insurance through an employer or a government program like Medicare or Medi-Cal may be eligible for subsidies to purchase health insurance through CoveredCA.com.

You may choose to receive your premium subsidy paid monthly to your insurance company in order to reduce the share of the premium you are required to pay. Alternately, you may choose to receive the total annual value of the premium subsidy in the form of a refundable tax credit at the end of the year.

Regardless of how you receive your subsidy, you will need to file a tax return for any years in which you receive premium assistance. You'll be eligible for the total premium subsidy even if you don't owe any taxes or if the amount of taxes you owe is lower than the amount of the premium subsidy you are eligible for. However, if your income changes significantly during the year, the subsidy you get could be reduced or you may have to pay back part of the subsidy you received and were not eligible for.

Frequently asked questions about...

CANCELLATIONS

Will my insurance plan be cancelled?

Beginning in 2014, new plans sold in the individual insurance market must cover the 10 Essential Health Benefits (see page 3 of this brochure); eliminate annual and lifetime limits; and end discrimination against people with pre-existing conditions. Insurers have been cancelling or upgrading insurance plans that do not comply with these requirements.

If you purchased your insurance plan before the *Affordable Care Act* became law on March 23, 2010, and your plan has not been substantially changed by your insurer, your plan is “grandfathered” and you can keep this plan as long as your insurer continues offering it.

What is Senator Feinstein doing about policy cancellations?

Senator Feinstein believes that individuals should have the choice to keep their existing plan or buy a new plan at CoveredCA.com. She has co-sponsored legislation, the *Keeping the ACA Promise Act*, introduced by Senator Mary Landrieu (D-La.), that would allow individuals who have received cancellation notices to keep their plans.

Senator Feinstein recently said: “Changing health insurance plans is deeply personal, and I believe it should be up to individuals to make that choice. That was the intent of the law, and it is how I believe it should be run going forward.”

What should I do if my insurance plan has been cancelled?

Those who have been informed that their insurance plan is being cancelled or upgraded should carefully review all of the options available to them, including eligibility for subsidies that could reduce the cost of coverage. Visit CoveredCA.com or call 1-800-300-1506 to find out your new options.

President Obama said that insurers could extend coverage through 2014. How can I extend my insurance plan?

Each state must decide if they want to allow current plans to be extended. California has decided not to extend coverage into 2014 for individuals in non-grandfathered plans. If you received notice that your insurance plan is being upgraded or cancelled in 2014, your insurance will change in 2014 and you will be able to review your options for new coverage at CoveredCA.com or directly through your insurer.

Frequently asked questions about...

INSURANCE PLANS

(Source: Kaiser Family Foundation)

I see Marketplace plans are labeled “Bronze,” “Silver,” “Gold” and “Platinum.” What does that mean?

Plans on Covered California are separated into categories based on the amount of cost-sharing they require. Cost-sharing refers to health plan deductibles, co-pays and co-insurance. For most covered services, you will have to pay (or share) some of the cost, at least until you reach the annual out-of-pocket limit on cost-sharing. The exception is for preventive health services, which health plans must fully cover.

In the marketplace, bronze plans will have the highest deductibles and cost-sharing requirements. Silver plans will require somewhat lower cost-sharing, as will gold and platinum plans. In general, plans with lower cost-sharing will have higher premiums, and vice versa.

“Catastrophic Plans” appear to be cheaper. What are they and can I buy one if I want?

Insurers can also offer “Catastrophic” plans. Catastrophic plans have the highest cost sharing. In 2014, Catastrophic plans will have an annual deductible of \$6,350 (\$13,700 in family plans). You will have to pay the entire cost of covered services (other than some primary and preventive care) until you’ve spent \$6,350 out of pocket; after that your plan will pay 100 percent of covered services for the rest of the year. Not everybody will be allowed to buy Catastrophic plans. They are only for adults up to age 30, individuals who had their previous plan cancelled, and for older people who can’t find any other Marketplace policy that costs less than 8 percent of their income.

Do I have to buy my insurance plan on Covered California?

No. You may purchase insurance directly from a health insurance company and still receive all of the same consumer protections as people buying insurance on Covered California. However, you won’t be able to claim a premium subsidy unless you purchase your coverage through Covered California.

What insurance companies are offering plans on Covered California?

Eleven insurance companies are offering insurance plans on Covered California. These companies include the largest insurers in California as well as smaller, regional organizations. Companies offering plans on Covered California for 2014 are Anthem Blue Cross of California, Blue Shield of California, Chinese Community Health Plan, Contra Costa Health Plan, Health Net, Kaiser Permanente, L.A. Care Health Plan, Molina Healthcare, Sharp Health Plan, Valley Health Plan and Western Health Advantage.

How can I find out if my doctor is participating in a health plan?

On Covered California, click on “Apply Now” and then use the “Preview Plans” tool to find doctors in or near your zip code that are participating in Covered California plans. Alternately, you can ask your doctor or health insurer if they are participating in one of the new health insurance plans.

More questions?

If you have questions regarding your options and rights under the Affordable Care Act, please contact Covered California or the California Consumer Assistance Center. In addition, staff in Senator Feinstein's offices are prepared to help.

Covered California

California's official health insurance marketplace

CoveredCA.com

1-800-300-1506

California Consumer Assistance Center

Healthhelp.CA.gov

1-888-466-2219

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Los Angeles

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Additional Resources

This booklet was compiled using information from the U.S. Department of Health and Human Services, the California Health Benefit Exchange, the U.S. Department of Labor, the U.S. Census Bureau, the Kaiser Family Foundation and Families USA.

To find out more about the health reform law, and your health care options, please refer to these sources:

Kaiser Family Foundation

<http://kff.org/aca-consumer-resources>

Small Business Administration Health Reform Resources

<http://www.sba.gov/healthcare>

For people with Medicare

<http://www.medicare.gov>

Additional information for people with Medicare: California Health Advocates

<http://www.cahealthadvocates.org/reform>

Affordable Care Act Success Stories

"I just wanted to let you know, I was able to sign up to Obamacare with CoveredCA.com without any problems. Once I called them and they got me started, it was quite simple. With my new plan I will save \$250 per month."

- Constituent from Los Angeles

"I am very pleased with the HealthCare Reform act. The ability to insure my children up to age 26 through my employer's program has been a tremendous help."

- Constituent from San Diego

"I just signed up for Obamacare. Comprehensive coverage, affordable premiums, reasonable co-pays, and a nice civil servant to talk me through it. I feel such deep relief."

- Constituent from Pine Grove

"I signed up for 2014 health insurance today on California's marketplace, CoveredCA.com, on behalf of myself, my wife, and my two children. No tax credits, but I will save over \$100 per month by switching to a different insurance company."

- Constituent from Woodside

"Today my wife and I completed our enrollment in new health insurance through Covered California. The enrollment process was easy and took about an hour. We are active, healthy, young retirees—age 62 and 58 years old. The premiums for our individual policies cost us \$882 per month, with \$8,000 and \$5,000 deductibles. With premium support, we will now pay a total of \$434 per month with \$2,000 deductibles."

- Constituent from Ventura



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